STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Bell Telephone Company Application for Review of Alternative Regulation Plan	))))	Docket No. 98-0252
Illinois Bell Telephone Company Petition to Rebalance Illinois Bell Telephone Company's Carrier Access and Network Access Line Rates	)))))	Docket No. 98-0335
Citizens Utility Board, People of the State of Illinois v. Illinois Bell Telephone Company	))))	Docket No. 00-0764 (Consol.)

SUPPLEMENTAL BRIEF ON FACTUAL ISSUES
RAISED BY NEW LEGISLATION

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Illinois Bell Telephone Company ("Ameritech Illinois" or the "Company"), by its attorneys, submits this Supplemental Brief on Factual Issues Raised by New Legislation. For the reasons set forth below, the Commission should reject the arguments of Staff and GCI in favor of imposing on Ameritech Illinois a system of customer-specific service quality remedies that would be more stringent than those recently imposed by the Commission through its emergency service quality rules.

As Ameritech Illinois has argued in the Initial Brief Of Ameritech Illinois On Impact Of New Legislation and the Reply Brief of Ameritech Illinois On Impact of New Legislation, the

General Assembly has adopted new Section 13-712 of the Public Utilities Act, which requires a compensation system for telecommunications consumers who have been adversely affected by service quality problems. The new law expressly requires the Commission to adopt rules that will apply to "all" carriers, and to implement service quality remedies that will apply to "each" such carrier. 220 ILCS 5/13-712(a), (d)-(e). Section 13-712 does not provide for customer-specific remedies that would vary from carrier to carrier, including additional remedies applied pursuant to an Alternative Regulation Plan.

Although new Section 13-712 allowed the Commission up to a year to complete a rulemaking proceeding to implement that provision (220 ILCS 5/13-712(c)), the Commission instead elected immediately to adopt emergency rules. As a result, not only Ameritech Illinois but the entire industry was forced to implement the rules on an emergency basis. Emergency implementation required thousands of hours and millions of dollars, much of which had to be diverted from normal processes and operations to permit the implementation to be completed. Now, Staff would in effect have the Commission tell Ameritech Illinois, "Never mind. Do something else." Not only would such an action be wasteful, it would be entirely inequitable.

By the time the Commission issues an order in this proceeding, Ameritech Illinois will have fully implemented the customer-specific remedies required by the emergency rules adopted by the Commission pursuant to new Section 13-712. Implementation of those rules is already requiring substantial time, money and resources. The adoption of a different set of service quality remedies — perhaps only weeks after the implementation of the Commission's emergency rules has been completed — would require much of that effort to be repeated.[1] The end result would be to waste literally thousands of hours of effort, as explained in detail in the

[1] Ameritech Illinois will file tariffs to implement the emergency rules by September 15, 2001. The emergency rules will be fully implemented and the required credits will appear on customers' bills by mid-October.

attached affidavits of Michael Flynn and John Muhs. In addition, implementing a different set of service quality remedies would increase the possibility of system errors and employee confusion.

The affidavit of Michael Flynn explains the additional work required to program and test Ameritech Illinois' billing systems. The billing organization has estimated that approximately 1000 additional hours would be required to implement the Staff proposal. By comparison, implementation of the Commission's emergency rules has required, or is expected to require, approximately 1200 hours. These estimates show that the majority of the necessary time required would be spent reprogramming and retesting systems that were already programmed and tested to implement the emergency rules. This would result in a significant waste of resources. (Flynn Aff., ¶¶ 4-5).

The Affidavit of John Muhs explains the additional effort that would be required of the Ameritech network organization, including related work groups. The largest single impact of the Staff proposal would be to require approximately 400 additional hours of time by the Installation and Repair Group for planning, writing procedures, training and communications. In addition, approximately 500 hours of extra work would be required of the Network Services Regulatory Results group, SBC Network Support Staff, Ameritech Network Services Staff and Network Regulatory Staff. These estimates were based on the actual time spent, or expected to be spent, implementing the requirements of the Commission's emergency rules, and reflecting the fact that some of the work already performed to implement HB 2900 could be retained. (Muhs Aff., ¶¶ 4-5).

In addition, as both Mr. Flynn and Mr. Muhs explain, changing the requirements for customer compensation would increase the likelihood of billing errors and employee confusion. This is true particularly where, as was the case for implementing the Commission's emergency rules, implementation has been rushed through without the normal development and testing time. Accelerated implementation of this kind has already occurred in Michigan, where Ameritech Michigan failed to provide credits totaling approximately $720,000 to approximately 2400 customers, an error Ameritech Michigan later identified and corrected. Moreover, such errors would not necessarily be limited to Illinois or to service quality credits. Interactions between systems can cause widespread and unpredictable billing errors which could extend far beyond the credits at issue. (Flynn Aff., ¶ 9; Muhs Aff., ¶ 6).

The adoption of Staff's proposal could also jeopardize the timely implementation of other planned billing system changes, including the implementation of the flat-rated packages required by new Section 13-518. Implementation of those packages is currently scheduled for the December 2001 billing release. Given the limited resources available to perform and test billing system programming, and depending on the required implementation date, the adoption of Staff's proposal could compromise Ameritech Illinois' ability also to implement the flat-rated packages. Moreover, even if the Commission chooses to adopt Staff's proposal (or any other proposal that would impose a different set of customer-specific service quality remedies on Ameritech Illinois), the Commission should allow adequate time to implement any such remedies. Shortening the implementation interval beyond that point would significantly limit Ameritech Illinois' ability to evaluate and implement any new requirements, which would increase the possibility of system errors. (Flynn Aff., ¶10).

Finally, Staff and GCI seem to view the time and expense that would be required to implement their service quality proposals as Ameritech Illinois' problem alone. However, the Commission is required to consider efficiency and equity in reaching its decisions. 220 ILCS 5/1-102(a), (d). Neither efficiency nor equity supports the adoption of new and different service quality remedies, particularly when those remedies would come immediately on the heels of the Commission's emergency service quality rules.

Therefore, for the reasons provided in this brief, as well as Ameritech Illinois' initial and reply briefs concerning the impact of the new legislation, the Commission should not implement any customer-specific service quality remedies different from, or in addition to, those required pursuant to new Section 13-712 of the Act and the Commission's rules implementing that provision.[2]

Respectfully submitted,

ILLINOIS BELL TELEPHONE COMPANY

by ______________________
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[2] As Ameritech Illinois has pointed out elsewhere, the goal of the Alternative Regulation Plan — to maintain service quality at established levels (220 ILCS 5/13-506.1(c)(6)) — can and should be addressed through annual benchmarks and penalties.

CERTIFICATE OF SERVICE

I, Mark A. Kerber, an attorney, hereby certify that copies of the foregoing Supplemental Brief On Factual Issues Raised By New Legislation, including the attached affidavits of John J. Muhs and Michael E. Flynn, were served upon the attached service list via electronic mail and/or Federal Express on August 13, 2001.

Mark A. Kerber

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